

ASX/MEDIA ANNOUNCEMENT

8 November 2011

The Manager
Companies Announcements Office
Australian Securities Exchange



BEACH ENERGY LTD TAKEOVER OFFER – UPDATE – MORNING OF 8 NOVEMBER 2011

The Board of Adelaide Energy Ltd (ADE) wishes to further advise the market of the following matters with respect to the above:

1. It has engaged the services of Johnson Winter & Slattery as its legal advisers and RBC Capital Markets as its financial advisers to assist the Board in dealing with BPT's takeover offer.
2. BPT's ability to withdraw its offer at its present sub-50% shareholding level is limited. When or if BPT acquires a greater than 50% shareholding in ADE, it will have no ability to withdraw its offer until after the Closing Date of the Offer on 22 December 2011 (unless it obtains consent from ASIC).
3. ADE also notes that one of BPT's stated intentions is to *"review the benefits and the suitability of ADE remaining listed on ASX having regard to the Listing Rules and the additional corporate and compliance costs"*. ADE wishes to advise shareholders that any such de-listing of ADE could only occur after the close of BPT's offer and with the approval of the ASX.
4. The ADE Board therefore recommends that shareholders take no action at this time. Any shareholder who disposes of its shares now will not be entitled to any increase in the offer price that BPT, or a third party, may elect to make.

Commenting on the recent events, Mr Carl Dorsch said *"The Board is committed to getting the best outcome for all shareholders. ADE's balance sheet is strong and it has always been able to meet all the funding requirements of the Nappamerri Trough exploration program. Beach's offer (making conservative assumptions about the value of the rest of our portfolio), puts a value on our Nappamerri Trough assets of only around \$600/acre, which we consider to be low in the light of the massive gas potential of this acreage."*

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